Proceedings of the Mysore Representative Assembly.

BUDGET SESSION—JUNE 1929.

FIRST DAY—*10th June 1929.*

The Budget Session of the Representative Assembly was held in the Jaganmohan Palace Pavilion, Mysore, commencing from 12 NOON on the 10th June 1929.

The names of members present are given in Appendix C.

The Dewan and Members of Council took their seats precisely at 12 NOON.

The following new members were duly sworn in:—

1. Mr. A. K. Venkatavaradachar, Chickballapur Taluk
2. Mr. N. Y. Pissay, Bhavasara Kshatriya Sangha, Minority Interest.

Then, the proceedings were opened by the Dewan with the following address:—

GENTLEMEN OF THE REPRESENTATIVE ASSEMBLY,

For the fourth time it is my privilege to address this House regarding the disposal of the finances of the State.

A Retrospect.

The three years that we have just passed through are years which, I hope, we shall be justified at some future period in looking back upon as years of transition from a condition of stringency to one of prosperity and ease. We entered upon them with many arrears of administrative progress to make up, and with every department in the State crying out for advance; and we entered upon them with our treasury depleted and with our prospects of improvement in revenue none too satisfactory. In the budgets that it has fallen to me to present to you, I do not mind confessing that I have been optimistic throughout, and I do not mind admitting now that I have had many anxious moments lest my optimism

should not be justified. I take this opportunity of expressing my gratitude to you that you have shared that spirit with me, and have given me your consistent support throughout.

I am an optimist still, and propose to demonstrate that fact in the budget for next year by an endeavour to translate into permanent conventions some of the arrangements for expansion which we have been carrying out together in a more or less hand-to-mouth way in the past three years. To do this will be in a sense to fetter your discretion and that of the Government in the disposal of the funds, but I feel sure you will agree with me that it is the only sound course, since no head of a department can work out a satisfactory programme for developing his department in the best way if he never knows from year to year what resources he can rely upon.

Of that more anon. Meanwhile, I think, it is well that we should take stock together of our assets and liabilities, as exhibited in the accounts of the period under consideration, so that we may better be able to appreciate the proposals that follow.

I include under the head of material assets the total expenditure on capital works such as railways, hydro-electric works, the Krishnarajasagara works and such other works as are classed as productive, but I exclude the expenditure on irrigation works charged to revenue, such as the Vani Vilasa Sagara and the Bhadra anicut and channels. The total of these material assets at the end of June 1926 amounted to 11¼ crores. At the end of June 1930, we expect that the amount will be in the neighbourhood of 14¼ crores.

In addition to these, we have cash and investments which three years ago amounted to about six crores, and are expected to remain at almost the same figure in June 1930.

As against these two categories of assets, we have liabilities which amounted three years ago to 11·16 crores, and which are expected to amount, on June 30th, 1930, to 13·94 crores. On these figures, the net result of our assets and liabilities account is an increase of material assets by three crores with no reduction under cash and investments. In other words, we have expanded our business by that amount.

	June 1926	June 1930	
	Crores	Crores	Crores
Assets ..	11¼	14¼	3
Cash and investments.	6	6	
Liabilities ..	11·16	13·94	--2¾

I think it may interest you if I supplement this statement of our capital and liabilities by another short comparison showing how our revenue and expenditure have progressed and are progressing in the same period. In the year 1927-28, we had a revenue of 360·81 lakhs. We charged an expenditure of 360·40 lakhs to revenue, and a non-recurring expenditure amounting to 7·99 lakhs to reserves, making a total of 368·39 lakhs, and leaving a surplus of Rs. ·41 lakh. In the year 1928-29, we had

Year	Revenue (in lakhs)	Expenditure charged to revenue (in lakhs)	Expenditure charged to reserves (in lakhs)	Revenue surplus (in lakhs)
	Rs.	Rs.	Rs.	Rs.
1927-28	360·81	360·40	7·99	·41
1928-29	369 98	369·68	10·41	·30
1929-30	370·93	370·43	15·17	·50

a revenue of 369·98 lakhs. We expect to charge 369·68 lakhs of expenditure to revenue, and 10·41 lakhs to reserves, making a total of 380·09 lakhs, leaving a surplus of ·30 lakh. For the year 1929-30, we anticipate a revenue of 370·93 lakhs; we expect to charge 370·43 of expenditure against that revenue and 15·17 lakhs to reserves, making a total of 385·60 lakhs, leaving a balance of ·50 lakh in hand.

You will thus see that we are in the position of a Company which is steadily increasing its capital and applying it to a legitimate expansion of revenue-earning assets, and I think, perhaps, you may be interested in some remarks made by one of the world's leading business men, Lord Melchett, when presiding the other day over the annual meeting of one of the largest Companies in the world, in which he had to deal with a similar situation. He said he was glad to think that in only one exceptional case had the Company received a letter from a shareholder who had objected to the programme of expansion, and continued as follows:—

"Far from being happy that he was a shareholder in a Company, who thanked God it was an expanding business and one of the few expanding businesses in the old country, he actually wanted us to confine our attention to the amount we could save out of our annual revenue, which either meant that you would have no dividend at all, or even if you had been denied that dividend, it would be entirely insufficient to carry out the legitimate expansion of a great industry.

and manufacture of products which were an urgent call, and without which the country could not go on at all, and which would lead to other people coming in and making the things if we were so foolish or faint-hearted as to refuse to go on making them ourselves."

I think you will agree with me that there is much in his remarks that is applicable to the conditions in Mysore at the present day.

Conventions Proposed for the Future.

Having thus shown you how, though we have been working on very narrow margins, we have been able to find money in a fairly regular fashion for a continuous programme of expansion, I now propose to indicate to you the measures by which we propose to ensure a still more regular progress of expansion by definitely assuring heads of departments, in advance, of the sums that they may expect to receive, and so enabling them to work out with confidence programmes that will cover a series of years.

(1) You have already heard that Government have recently constituted a Road Fund. Into this will be paid all realisations from tolls, and fees levied on motor transport, and these will be supplemented by suitable grants from Government so as to provide a sum of at least 11 lakhs a year for expenditure on roads and bridges. This annual grant will not be allowed to lapse, and any sum that is not expended in one year will be carried forward as part of the fund for expenditure in the next.

(2) In the case of irrigation works, we have already expended vast sums, but these are not adequate to ensure the prosperity of the raiyats, and we have therefore decided to provide, in addition to the sums provided for capital works, an annual grant of at least ten lakhs from general revenues. We propose further, in order to ensure a programme of steady and consistent progress, to have a separate budget covering all irrigation works whether financed from revenue or capital funds or loan funds. This will be presented to you as an appendix to the general budget estimates.

(3) In the interests both of general finance and of the Sandal Oil Factories, which are yielding handsome returns, the Government have decided to adopt a convention of regarding the excess over five years' average net revenue from the factories as not available for the ordinary recurring expenditure of the administration, and of crediting such surpluses to the Special Reserve. I hope that this arrangement will meet with your approval.

(4) It is further proposed, in order to enable the authorities responsible for the University to determine the progress to be made over particular periods, to give them a normal annual grant, which will be determined for periods of three to five years, in addition to which special grants for new and non-recurring expenditure may be made when occasion arises. Thus, for the ensuing year, it is proposed to fix the normal grant at Rs. 10½ lakhs, with an additional 1½ lakhs for the construction and equipment of the Medical College buildings.

Revised Estimate for 1928-29.

Let me now proceed to review briefly the anticipated results of the current year's revenue and capital transactions.

The budget of the year which is about to close was framed on the expectation of a revenue realisation of Rs. 355·91 lakhs, and it provided for an aggregate expenditure of Rs. 365·48 lakhs, of which a sum of Rs. 10 lakhs was chargeable to the Irrigation Reserves. We budgeted for a small surplus of Rs 43,000. You will be glad to learn that the revenue side will show a substantial improvement of Rs. 14 lakhs by the end of the year, and we hope to realise in the accounts a surplus of nearly Rs. 4½ lakhs, of which Rs. 4 lakhs will be credited to the Special Reserve.

Revenue for 1928-29.

The major heads which contribute to this satisfactory position are:—

Forest,	Interest, and Communications,
Excise,	Stamps and Registration.

The budget of net receipts from sandal oil was prepared in the expectation of a sale of two hundred thousand pounds of oil. It is likely that an additional quantity of about fifty thousand pounds, valued at about Rs. 7 lakhs, will be sold before the end of the year.

The auction sales of Excise shops held last year resulted in increasing the annual rentals, aud we expect an improvement of about Rs. 4 lakhs in the budget under Excise.

The increase under Stamps and Registration is about Rs. 2¼ lakhs, and is mainly due to satisfactory seasonal conditions. A portion of the increase under Stamps is

accounted for by the levy of Record of Rights fees in the shape of stamps in the Bangalore Taluk.

There is an improvement of about a lakh and a half under Interest, which is due, partly to better realisations on our investments, and partly to a change in the method of accounting of interest realised on Takkavi and Land Improvement Loans recoverable by way of annuities.

Increased receipts are expected under Tolls on Bridges and Roads and Motor License Fees, which will be credited to the Road Fund.

Against these improvements, we expect the realisations under Miscellaneous and Electrical revenue will fall below estimates. At the time of framing the budget, we expected a revenue of Rs. 1½ lakhs from the sale of building sites in the new extension behind the Central Jail, Bangalore. The sales held were not confirmed owing to adequate prices not having been realised. Fresh sales will be held during the course of next year.

In the Electrical Department, we anticipate a falling off in revenue mainly as the result of the power consumption at Metur being less than was expected.

Expenditure for 1928-29.

Turning to the Expenditure side, we find that, against the budget estimate of Rs. 365·48 lakhs, the revised estimate is placed at Rs. 380·09 lakhs, of which Rs. 10·41 lakhs will be debited to the Reserves. The expenditure chargeable to Revenue will be Rs. 369·68 lakhs.

During the year, we have had to meet several pressing demands from departments for additional expenditure, mostly of a non-recurring nature, and supplementary grants have been sanctioned with the concurrence of the Legislative Council. Increase of expenditure occurred chiefly under:—

Forest,	Civil Works and Communications,
General Administration,	Education,
Courts of Law,	Agriculture Police.

The large increase under 'Communications,' *viz.*, Rs. 2⅓ lakhs, is accounted for by the forward policy adopted by the Government for the improvement of our roads and the constitution of a Road Fund. In this we have followed the recommendation of the Indian Road Development Committee and have anticipated action in British provinces.

The bulk of the increase of about Rs. 2 lakhs under Agriculture represents grants made for the purchase of serum and for the manufacture of the product locally. This experiment has been a great success, and we shall now be able to carry on a more active campaign against rinderpest and other diseases of cattle.

Full details in respect of the rise under each of the other heads are given in the Financial Secretary's Memorandum (Appendix D) and I do not wish to trouble you with them here.

Capital Expenditure

The budgeted programme of capital expenditure not charged to Revenue was Rs. 89½ lakhs. The Irwin Canal Works are in full swing. During the course of the year, an additional grant of Rs. 6 lakhs was sanctioned for expediting the work. The total outlay on all capital works at the end of the year is expected to be about Rs. 95 lakhs.

Closing Balances.

The surplus of the year is expected to be Rs. ·43 lakhs, and a sum of Rs. 4·13 lakhs, representing the improvement in the sandal oil net receipts, will be transferred to the credit of the Special Reserve, in accordance with the new policy to which I have already made reference.

The balances at the credit of the Special Reserve and the Irrigation Reserves at the end of the year will then be as follows:—

	(In lakhs of Rs.)
Special Reserve for non-recurring expenditure	10·51
Irrigation Capital Reserve	4·04
Irrigation Cess Fund	4·00
Total ..	18·55

Budget Estimates, 1929-30.

The budget for the year 1929-30, as now framed, anticipates a revenue realisation of Rs. 370·93 lakhs, thus showing an increase of about a lakh over the Revised. The Expenditure programme contemplates an outlay of Rs. 385·60 lakhs, of which about Rs. 15 lakhs will be drawn from the Reserves. The year's transactions are expected to result in a position of equilibrium, with a surplus of Rs. 50,000.

I shall now indicate the main features of the next

year's revenue estimates. With the exception of the Nanjangud Taluk, which will be taken up next year, the resettlement of land revenue assessments in the State has been completed, and the budget of Land Revenue for the coming year is based practically on the Revised Estimate.

The sales of sandal oil have been exceptionally good during the current year. The condition of this market is, however, very uncertain, and it would not be prudent to budget for a larger revenue than the actuals of 1927-28, *viz.*, Rs. 23 lakhs. Meanwhile, the creosoting plant installed at Bhadravati is in full operation, and we hope to realise a revenue of about half a lakh from this source, and this accounts for some improvement under Forest Department proper.

The Excise sales recently held point to a tendency towards decrease in the consumption of excisable articles. We have accordingly budgeted for a revenue of Rs. 67$\frac{1}{3}$ lakhs, which is about Rs. 1$\frac{1}{2}$ lakhs less than the Revised.

As I have already stated, it is expected that the sites in the Bangalore Central Jail Extension will be sold during next year, and a revenue of Rs. 2 lakhs is anticipated from this source.

The traffic receipts under Railways have been exceptionally low during the current year, and normal expansion is anticipated. The Shimoga-Ragihosahalli line will be opened for traffic early next year. We have budgeted for an increase of Rs. $\frac{3}{4}$ lakh in 1929-30.

The Electrical revenue is expected to show an improvement of Rs. 1·81 lakhs. According to the agreement with the Madras Government, the minimum power contracted for at Metur should be consumed and paid for with effect from June 1929. This factor and larger consumption of power by the mills in Bangalore and electrical installations in mufassal towns account for the anticipated increase.

Expenditure.

On the expenditure side, we have budgeted for an increase of about Rs. 5$\frac{1}{2}$ lakhs over the revised estimates, and this is mainly due to the additional grants allotted for Irrigation Works and for expansion in the Education and Agricultural Departments.

I have hopes that the Public Works Department will be able to give good value for the 15 lakhs provided for Irrigation Works and will even ask for more grants. No effort will be spared to provide them with the necessary funds.

The University.

I have already referred to the proposal to give a fixed annual grant to the University. The Government fully recognise that the University requires ample funds for maintenance and development.

The amount that could be spent usefully is practically unlimited, but unfortunately the resources of Government are very limited indeed. What we are endeavouring to do therefore is to give the authorities as much as we can, and at the same time to give these grants a greater value than has attached to them in the past, by giving with them a guarantee of continuance for a period of years. At the same time, the authorities will no doubt continue to look for other means of increasing their resources, and in this connection I would ask them to consider whether the time has not arrived when the University could with reason call upon those who enter its portals to contribute a larger share towards its expenditure. It would seem desirable, for instance, for the University to re-examine its scales of tuition fees and examination fees and to consider whether, having regard to the scales of fees prevailing elsewhere, a suitable increase might not be made.

The Agricultural Department.

The budget of the Agricultural Department includes a sum of Rs. 1·80 lakhs, being the annual cost of running the Serum Institute, as well as a special provision of Rs. 1 lakh for establishing a Cattle Breeding Station at Ajjampur.

Live Stock.

One of the most important problems connected with agricultural development in Mysore is the improvement of our live stock. Mysore cattle have deservedly a high reputation throughout India, and very large numbers are annually exported to the neighbouring provinces. It has been variously estimated that our export of cattle has a value of anything between fifty and a hundred lakhs of rupees a year.

His Highness's Government realise fully the present and potential wealth of our live stock and the necessity for taking measures towards its improvement. They have appointed during the year a strong committee, consisting of representatives from all the districts, with experts, to go into the whole question of agricultural improvement, including

the control of epidemic diseases. The Serum Institute, which was organised during the year 1927-28 has been brought to a high pitch of efficiency. The production of serum during the year will amount to about 18 lakhs of doses, as against 5 lakhs in the previous year. This will provide material for the inoculation of over two lakhs of animals, and in fact it is anticipated that about 2½ lakhs of animals will have been inoculated by the end of the year. The financing of this Institute is one of our most important agricultural commitments.

It is not enough, however, to save our animals from epidemics. We must take measures to improve them by the provision of better breeding stock. To this end, Government have decided to organise a modern Cattle Breeding Station on which there will be breeding under scientific control from selected animals from our Amrut Mahal herds. A sum of Rs, 1,00,000 is included in the budget of the Agricultural Department for this purpose. It is hoped that in the course of a few years we shall be able to supply first class breeding bulls from this station, at the rate of from 150 to 200 per annum, to individual breeders, co-operative breeding associations and village panchayets. The cumulative effect of this upon our live stock industry and upon our agriculture in general is certain to be very great.

Crop Improvement.

If we turn to crop improvement, two measures recently sanctioned are calculated to have far-reaching effects. The first is the conversion of the Nagenahalli Farm into a paddy breeding station where work on the improvement of this important crop will be actively pursued. The second is the organisation in the Agricultural Department of a section to control the distribution of pure seed of the new varieties of crops originated on our various farms. This section will supervise the organisation of seed farms and the distribution of seed from the farms to the villages. The Royal Commission on Agriculture lay stress in their report on the importance of providing an agency such as this, and the Mysore Government will, I believe, be the first in India to take action on their recommendation.

Agricultural Colonies under the Bhadra Channel.

Another important and interesting scheme for which money will probably have to be provided this year is the

formation of Agricultural Colonies under the Bhadra Channel.

The interests of the State require that the agricultural potentialities of the State should be fully developed, and if in securing this object, we could also give an opportunity to our agriculturally trained young men to prove their mettle, and the practical value of the training they have received, we would have taken an important step towards solving another of our urgent problems—that of unemployment.

The details of the scheme have been fully set forth in the order which was recently published but Government, in giving their general approval to it, have thought it desirable, in view of the importance of the principle involved, to give this House and the Legislative Council an opportunity of discussing it fully before any expenditure is actually incurred.

My only regret is that it not possible to give the department a much larger grant, for I feel that this is a department on which too much money cannot be spent by the State.

Other Activities and Developments.

I will only make a brief reference to some of the other activities and developments for which provision has been made in the next year's budget.

Revenue Department.

The reorganisation of the Land Revenue Department establishment is long overdue, and in the interests of the administration, it is desirable that some encouragement should be shown to the junior officials of this department. A sum of Rs. 15,000 is accordingly provided as a first instalment of the cost of this reorganisation. The scheme of Record of Rights introduced as an experimental measure last year is being extended. This measure, while benefiting the agricultural population, has been self-supporting. The receipts during the past and current years have amounted to Rs. 1½ lakhs against Rs. one lakh spent.

Forest Department.

A special grant of Rs. one lakh will be allotted as in the current year, to the Forest Department for the

supply to the Electrical Department of balagi poles, for exploitation of timber on a large scale, and for other development works. Provision has been made for the working expenses of the timber creosoting plant. This expenditure is productive and will be covered by increased receipts.

Excise Department.

In the Excise Department, we have provided a sum of Rs. 1½ lakhs for the purchase of the machinery and other plant in the Central Distillery. The arrangement hitherto in vogue was that at each change of contract for the manufacture of arrack, the incoming contractor was bound to take over from the outgoing contractor the plant and machinery at a fair valuation. The working of this system has not been satisfactory. The prices at which spirit were sold to Government were put up by the contractors so as to cover interest on capital and depreciation charges with a wide margin. Government will now take over the entire plant and machinery and recover from the contractor for the time being interest and depreciation. A sum of Rs. 12,500 is anticipated as additional revenue under Excise against this investment.

Interest on Debt.

The rise of a little over Rs. 2 lakhs under Interest on Debt and other obligations is accounted for by the deposits received under the new Five Year Fixed Deposit Scheme.

Pensions and Allowances.

Our pension scheme, which is modelled on British service regulations, is defective in that it provides for no relief in cases where officers die before or soon after retirement. Government have decided to remedy this defect and have sanctioned a scheme of compassionate gratuities for the families of officers dying in harness or soon after retirement without enjoying the benefits of their pensions, and provision has accordingly been made for this new item of expenditure.

Police Department.

The pay of the constabulary is low. There is also need for improving the strength of the police force. We

have provided a sum of Rs. 50,000 towards the reorganisation of the Police Department. It is hardly adequate, but it is not possible to give more at present.

Irrigation Works.

The grant for Irrigation Works charged to Revenue is fixed at Rs. 15 lakhs. Of this, Rs. 10 lakhs will be the grant from General Revenues, including the interest on the Famine Fund, and Rs. 5 lakhs will be drawn from the Irrigation Reserve.

Capital Outlay.

The grant for Capital Works during the next year has been provisionally fixed at Rs. 92·73 lakhs as follows :—

	Lakhs of Rs.
Railways and Tramways	18
Irwin Canal Works	41·86
Krishnarajasagara Dam and other works..	8·96
Electrical Department	15
Industrial or other works	1·55
Iron Works	7·36
Total ..	92·73

The construction of the Shimoga-Arasalu line up to Ragihosahalli is expected to be completed by the end of this year. It is proposed then to undertake the extension of the line up to Arasalu, and a provision of Rs. 5 lakhs for this work is included in the capital grant for Railways in addition to the amount of Rs. 13 lakhs required for open lines.

The construction of the Irwin Canal is being speeded up, and it is expected that 30,000 acres of land will be brought under irrigation by June 1931. It is proposed to take up the construction of the masonry works at the Krishnarajasagara Dam according to the sanctioned estimates and the erection of gates for storing water up to +124 at the reservoir so that full supply may be available when irrigation commences under the Irwin Canal. An aggregate sum of Rs. 50 lakhs is accordingly provided for all these works.

The grants allotted to the Electrical and other departments are for the completion of sanctioned works already in progress.

The new Bangalore water supply scheme is, as you are aware, under the active consideration of Government. It is a big undertaking, and the technical and financial aspects of the scheme require to be very carefully examined. As soon as the special committee finally send up their proposals, Government will consider the question of financing the scheme.

Report of the Indian States' Committee.

I may appropriately conclude by a brief reference to the financial aspects of the report of the Indian States' Committee.

In my address to this House in 1926, I referred to the problem of the Indian States in the following words :—

"I now come to a question of supreme importance to our State, namely, the position of the Indian States in the constitution of the future. This, as you are aware, formed with other matters of common interest, the subject of discussion in August last at Bikaner, when His Highness the Maharaja invited a number of ministers from different States to an informal conference.

"I do not propose to enter into details here of the subjects discussed, but as regards the future position of the Indian States, I may perhaps say a few words, as it is an issue that exceeds in importance almost any other at the present time. With the gradual development of self-government in India, the problem of the position of Indian States enters upon a new phase and India's prosperity and progress depend, in a large measure, upon a right solution of this problem. In Mysore, we desire no voice in the internal affairs of British India, and seek for ourselves complete autonomy in such affairs, subject to the suzerainty of the British Crown. Details of relationship will change with changing times.

"Economically, however, no Indian State can stand in isolation. Economic union is becoming a world-policy, making for the mutual understanding of nations and their co-operation in all things. In this world-wide movement, India is destined to play an important part, and one of increasing responsibility and power. She cannot but develop the same policy within her borders, gradually breaking down both barriers and distinctions in economic matters. I believe that such an effort will work more strongly towards political unity than the immediate planning of any political federation. For it will bring a living unity of purpose and action, out of which political unity will naturally and fitly arise.

"Prominent among the conditions of economic unity is the formation of an Indian Customs Union with adequate representation of the Indian States, and the determination of the share of Imperial customs, and other Imperial receipts (as from salt, posts and telegraphs and coinage), which should be paid to these States or accepted definitely as their share of payment for services by the Imperial Government. There can be no doubt of the justice of this claim, since these receipts are contributed by our people precisely as by the people of British India. To

Mysore, as to other Indian States, this matter is of the most critical importance, not only as a matter of immediate finance, but also because the real economic unification of India is impossible under present conditions."

The Committee's report more than confirms the views expressed in that statement.

The Committee makes no definite pronouncement as regards the constitutional side of the question. It has left its adjustment to the future, while keeping the door open to a closer union between the two Indias. I feel myself—and that I believe is the general view—that the spirit of the times and the inexorable logic of events will inevitably bring the two parts of India together, both economically and politically.

It is doubtful wisdom to force the pace in such matters. A step at a time, a firm and sure step, is likely to be productive of more lasting good than precipitate action against the wishes of many of those concerned. There is no doubt that the trend of events is towards a political federation, but such a federation can only endure if it is based on the sure foundation of common ideals and mutual interests. I dare say the Statutory Commission will have something to say on this subject.

While Mysore is quite prepared to join in any well-devised scheme of federation which would ensure her legitimate share in the settlement of common questions, she can it seems to me, well afford to wait upon events. What we do desire, however, is that the economic and financial relations of our State with British India should be placed on an equitable basis as soon as possible. It was chiefly with that object in view that the appointment of a Committee was urged by us. The views that the Committee has expressed on these questions and the recommendations which it has made to give effect to those views seem, on the whole, very fair to all concerned ; and if its recommendations are carried out, Mysore can reasonably expect to be a gainer financially.

The Committee recognises that the adoption of the policy of discriminating protection, which has raised the revenue from maritime customs from five to nearly fifty crores of rupees, has reduced the taxable capacity of the subjects of the States and created a situation in which they are entitled to relief. It adds, however, that, if the States are admitted to a share in the customs revenue, British India may legitimately claim that they should bear their full share of imperial burdens, and it accordingly proposes

that a committee of experts should be appointed to work out a debit and credit account in the case of each large State or group of States.

Other items which are to be reckoned to the credit of the States in this account are any balance of receipts arising from the States' subjects in respect of income tax, customs, excise licenses, sale of grass and the like in railway areas ; an allowance on account of the profit on paper currency ; and a share of the profit derived from the Post Office Savings Banks established in the States. The Committee has somewhat unaccountably failed to provide for a share of the excises on salt and petroleum, which are a corollary of the customs duties, and this is a point to be further pressed, with one or two minor ones. Still, on the whole, I think we may be fairly content that our contentions on these heads have been accepted so far as they have been.

The Committee has also recommended the retransfer of jurisdiction both civil and criminal on all railways, except strategic railways and important non-strategic railways, and a periodic conference and rendering of accounts with the Post and Telegraph authorities with a view to ensuring to the States a full share of the benefits to which the profits of the Post and Telegraph Department are devoted.

I feel sure, gentlemen, that you will agree with me that these are all practical conclusions, which indicate that the authors of the report have approached their task with the single desire to contribute something of real value to the solution of a most complex problem. As I have indicated above, I do not think it would be wise to attempt to force the pace in respect of the creation of a federation, or any other radical change : and while the Committee agree in that, they have emphasized the fact that there is nothing in their proposals to prevent the adoption of some form of federal union as the "two Indias" of the present draw nearer to one another in the future ; or to prevent a big State or a group of States from entering now or at any time into a closer union with British India. I have indicated my opinion that that closer union will be economic in the first instance. When once a real economic union comes about, a political union will naturally follow. I look to the day when Mysore will be the centre economically and intellectually of the Karnataka country, and I feel that the Report of the Butler Committee tends to bring that day nearer in so far as it holds out to Mysore the promise of a fair deal, which is the beginning of the economic agreement.

(The Kannada translation of the address was read by Mr. K. H. Ramayya.)

QUESTIONS AND ANSWERS.

MR. B. L. BYANNA (Bangalore City Municipality).—

Q.—1. Will the Government be pleased to state—

(*a*) Whether they will place on the table the names of papers and the addresses of persons who have applied to the Government for permission to edit, print and publish English, Kannada and Urdu dailies, bi-weeklies, weeklies and monthlies together with the date of their application, the date of Government sanction or otherwise, as the case may be, from 1925-26?

(*b*) Whether they will place on the table the names of papers and addresses of persons whose permission was withdrawn under the orders of Government from 1925-26 up to date?

CHIEF SECRETARY TO GOVERNMENT.—

A.—1. (*a*) *Vide* statement A annexed (Appendix I).

(*b*) List B annexed gives the names of such papers. The addresses of persons are not readily available. (Appendix II).

Supplementary Questions and Answers.

Mr. B. L. Byanna.—

In regard to (*b*) it is stated that the addresses are not readily available. Are there no records relating to these cases ?

Chief Secretary.—

No. We cannot get the records beyond 10 years.

MR. S. N. M. RAZVI (Bangalore City Municipality).—

Q—2. Will the Government be pleased to state—

(*a*) The number of original cases filed in the First Munsiff's Court, Bangalore City, from 1921-22 to 1927-28?

(*b*) The number of cases disposed of in each of the years referred to in (*a*).